

Southern Railway System

Law Department
P.O. Box 1808
Washington, D.C. 20013

JAMES L. TAPLEY
VICE PRESIDENT - LAW

920 15TH STREET, N.W.
TEL. 202-228-4460

February 21, 1978
58104

Mr. H. G. Homme, Jr.
Acting Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RECORDATION NO. 9242 Filed & Recorded
FEB 21 1978 - 9 55 AM

RECEIVED
FEB 21 9 53 AM '78
CERTIFICATION UNIT

Dear Mr. Homme:

INTERSTATE COMMERCE COMMISSION

I enclose three original counterparts of the instrument described in paragraph (1) hereof, for recordation pursuant to Section 20c of the Interstate Commerce Act and return, together with two additional counterparts thereof which are for the Commission's files.

In accordance with 49 CFR Part 1116, covering the recordation of documents, I wish to advise as follows:

- (1) The enclosed document is a Lease of certain railroad equipment, more fully described below, from Southern Region Industrial Realty, Inc., Lessor, P. O. Box 1808, Washington, D. C. 20013, to Southern Railway Company, Lessee, P. O. Box 1808, Washington, D.C. 20013, dated as of February 1, 1978.

- (2) The equipment covered by this Agreement is described as follows:

150 100-ton 61'0" Bulkhead Flat Cars, bearing Lessee's road numbers 114000 - 114149, inclusive, AAR designation FBS.

Each unit of the Equipment will be marked in letters not less than one-half inch in height as follows:

"OWNED BY A BANK OR TRUST COMPANY UNDER A FINANCING AGREEMENT RECORDED WITH THE INTERSTATE COMMERCE COMMISSION UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT."

8-052A020

Date FEB 21 1978
Fee \$ 50-

ICC Washington, D. C.

Handwritten: Demand
Signature: C. J. [illegible]

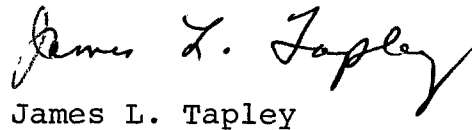
- 2 -

(3) After recordation, the original documents should be returned to George A. Aspatore, Attorney, Law Department, Southern Railway Company, P. O. Box 1808, Washington, D.C. 20013.

(4) The recordation fee of \$50.00 is enclosed.

Please acknowledge receipt of these documents on the enclosed copy of this letter.

Very truly yours,


James L. Tapley

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

2/21/78

OFFICE OF THE SECRETARY


James L. Tapley
Southern RYW. System
P.O.Box 1808
Washington, D.C. 20013

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on **2/21/78** at **9:55am**
and assigned recordation number(s)

9242

Sincerely yours,


H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

Executed in 5 Counterparts of
which this is Counterpart No. _____

3242
RECORDATION NO. Filed & Recorded

FEB 21 1978 -9 15 AM

INTERNATIONAL COMMERCE COMMISSION

THIS AGREEMENT, dated as of February 1, 1978, by and between SOUTHERN REGION INDUSTRIAL REALTY, INC., a Georgia corporation (the "Vendor"), and SOUTHERN RAILWAY COMPANY, a Virginia corporation (the "Vendee"),

W I T N E S S E T H: THAT

WHEREAS, by Purchase Order No. 134502 dated February 10, 1978 ("Purchase Order"), Vendee contracted with Thrall Car Manufacturing Company to build 150 100-ton 61'0" Bulkhead Flat Cars ("Cars") to bear Vendee's road numbers 114000 to 114149, inclusive; and

WHEREAS, the builder of the Cars, Thrall Car Manufacturing Company, is, under the terms of the Purchase Order, to deliver the Cars to Vendee at Jeffersontown, Kentucky, freight charges prepaid; and

WHEREAS, inasmuch as Vendee has not as yet consummated financing arrangements for the acquisition of the Cars, it is not in a position to accept delivery of and pay for the Cars under the terms of the Purchase Order at this time; and

WHEREAS, Vendee represents that such financing arrangements will be consummated on or before August 1, 1978, and Vendee, in order that it may use the Cars pending completion of the above financing arrangements, has requested Vendor to take an

assignment of Vendee's rights to receive and purchase the Cars under the Purchase Order, to purchase the Cars on delivery and to give Vendee temporary custody and possession of the Cars, solely as a lessee of the Cars; and

WHEREAS, Vendor is willing to accept such assignment, and to purchase and lease the Cars upon the terms and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the premises and of the promises of the parties herein contained, the parties agree as follows:

1. Vendee hereby assigns to Vendor its rights to receive and purchase the Cars under the Purchase Order and Vendor hereby accepts such assignment and designates the Vendee as its agent to accept delivery of the Cars.

2. Vendor agrees to lease the Cars to Vendee and Vendee agrees to hire the Cars from Vendor at the delivery point above referred to. The rights of Vendee hereunder in respect of each Car shall commence on the date of acceptance of such Car as agent for the Vendor and end on the earlier of August 1, 1978, or the date of payment of the purchase price of such Car under the above financing arrangements. Vendee shall purchase the Cars from Vendor or provide a purchaser therefor on or before August 1, 1978, and Vendor shall sell the Cars to Vendee or such purchaser as Vendee may provide, at the purchase price as set in the Purchase Order, and its obligation so to do shall

be absolute, regardless of the condition of the Cars at such time. When the purchase price of any Car has been paid this Agreement shall automatically be terminated with respect to such Car without further action by or notice to any party concerned. On delivery of each Car to Vendee, Vendee will assume the responsibility and risk of loss with respect to such Car.

3. Title to the Cars shall remain in Vendor and Vendee's right and interest therein is and shall be solely that of possession, custody, and use as lessee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. Vendee shall do such acts as may be required by law, or reasonably requested by Vendor, for the protection of Vendor's title to and interest in the Cars.

4. As rental for the Cars, Vendee agrees to pay in cash to Vendor upon the termination of this Agreement the sum of \$1.00.

5. Vendee agrees that it will permit no liens of any kind to attach to the Cars, and that it will (a) indemnify and save harmless Vendor from any and all claims, expenses, or liabilities of whatsoever kind, and (b) pay any and all taxes, fines, charges, and penalties that may accrue or be assessed or imposed upon the Cars or the Vendor because of its ownership or because of the use, marking, operation, management or handling of the Cars by Vendee during the term of this Agreement.

6. Vendee will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to Vendor the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term that this Agreement applies to such Cars.

7. Prior to the delivery of the Cars to Vendee there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Car in letters not less than one-half inch in height the following words:

"OWNED BY A BANK OR TRUST COMPANY UNDER A FINANCING AGREEMENT RECORDED WITH THE INTERSTATE COMMERCE COMMISSION UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT."


8. Vendor shall have the right to assign its rights under this Agreement or under the Purchase Order pursuant to the financing arrangements referred to above.

9. Vendor shall have no obligation to warrant the condition of the Cars but agrees to pass to Vendee or Vendee's nominee the builder's warranties on the Cars.

10. Vendee shall have the right to assign or transfer or sublet the Cars (subject to this Agreement and the rights of Vendor hereunder, and without releasing Vendee from any of its obligations hereunder) to any affiliate of Vendee.

SOUTHERN REGION INDUSTRIAL REALTY,
INC.,
By

ATTEST:


RA Allen
Assistant Secretary

LeMun-ardle
Vice President

SOUTHERN RAILWAY COMPANY,
By

ATTEST:


RA Allen
Assistant Secretary

LeMun-ardle
Vice President

DISTRICT OF COLUMBIA.

On this 17th day of February, 1978, before me personally appeared J. R. McArdle, to me personally known, who, being by me duly sworn, says that he is a Vice President of SOUTHERN RAILWAY COMPANY and of SOUTHERN REGION INDUSTRIAL REALTY, INC., that the corporate seal of each of said corporations is affixed to the foregoing instrument, that said instrument was signed and sealed on behalf of each of said corporations by authority of its respective Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of each of said corporations.



C. O. WAGNER
Notary Public

In and For the District of Columbia
My Commission Expires May 31, 1982